

SENATE BILL No. 217

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8-13; IC 12-15-5-7; IC 27-8-31; IC 27-13-37.5.

Synopsis: Mail order and Internet pharmacy designation. Allows the designation of a mail order or an Internet based pharmacy to provide prescription drugs under Medicaid or other health plans. Prohibits a denial of coverage for a covered prescription drug solely because the prescription drug was obtained from a pharmacy other than a designated mail order or Internet based pharmacy.

Effective: July 1, 2003.

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January 9, 2003, read first time and referred to Committee on Health and Provider Services.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 217

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10-8-13 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2003]: **Sec. 13. (a) As used in this section, "covered individual"**
4 **means an individual who is entitled to coverage under an employee**
5 **health benefit plan.**

6 **(b) As used in this section, "employee health benefit plan"**
7 **means a group plan of self-insurance, policy, or contract that:**

8 **(1) provides coverage for prescription drugs; and**

9 **(2) is established, purchased, or entered into by an employer**
10 **for the benefit of the employer's employees.**

11 **(c) As used in this section, "employer" means the following:**

12 **(1) A public employer.**

13 **(2) A state educational institution (as defined in**
14 **IC 20-12-0.5-1).**

15 **(d) As used in this section, "mail order or Internet based**
16 **pharmacy" has the meaning set forth in IC 25-26-18-1.**

17 **(e) An employee health benefit plan that provides coverage for**



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prescription drugs may designate a mail order or an Internet based pharmacy to provide prescription drugs to a covered individual.

(f) An employee health benefit plan may not deny coverage for a prescription drug that is covered under the employee health benefit plan solely because a covered individual obtains the prescription drug from a pharmacy other than a pharmacy designated under subsection (e).

SECTION 2. IC 12-15-5-7, IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. (a) The office or a managed care organization that has a contract with the office under IC 12-15-12 may designate a mail order or an Internet based pharmacy (as defined in IC 25-26-18-1) to provide prescription drugs to a recipient.

(b) The office or a managed care organization described in subsection (a) may not deny payment for a prescription drug that is covered under Medicaid solely because a recipient obtains the prescription drug from a pharmacy other than a pharmacy designated under subsection (a).

SECTION 3. IC 27-8-31 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 31. Mail Order and Internet Pharmacy Designation

Sec. 1. As used in this chapter, "insurer" refers to an insurer (as defined in IC 27-1-2-3) that issues a policy of accident and sickness insurance.

Sec. 2. As used in this chapter, "insured" means an individual who is entitled to coverage under a policy of accident and sickness insurance.

Sec. 3. As used in this chapter, "mail order or Internet based pharmacy" has the meaning set forth in IC 25-26-18-1.

Sec. 4. As used in this chapter, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1.

Sec. 5. (a) An insurer that provides coverage for prescription drugs may designate a mail order or an Internet based pharmacy to provide prescription drugs to an insured.

(b) An insurer may not deny coverage of a prescription drug that is covered under a policy of accident and sickness insurance solely because an insured obtains the prescription drug from a pharmacy other than a pharmacy designated under subsection (a).

SECTION 4. IC 27-13-37.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

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Chapter 37.5. Mail Order and Internet Pharmacy Designation

Sec. 1. As used in this chapter, "mail order or Internet based pharmacy" has the meaning set forth in IC 25-26-18-1.

Sec. 2. (a) A health maintenance organization may designate, under an individual contract or a group contract that provides coverage for prescription drugs, a mail order or an Internet based pharmacy to provide prescription drugs to an enrollee.

(b) A health maintenance organization may not deny coverage of a prescription drug that is covered under an individual contract or a group contract solely because an enrollee obtains the prescription drug from a pharmacy other than a pharmacy designated under subsection (a).

SECTION 5. [EFFECTIVE JULY 1, 2003] (a) IC 5-10-8-13, as added by this act, applies to an employee health benefit plan that is entered into, issued, delivered, amended, or renewed after June 30, 2003.

(b) IC 12-15-5-7, as added by this act, applies to a contract with a managed care organization that is entered into, delivered, amended, or renewed after June 30, 2003.

(c) IC 27-8-31, as added by this act, applies to a policy of accident and sickness insurance that is issued, delivered, amended, or renewed after June 30, 2003.

(d) IC 27-13-37.5, as added by this act, applies to an individual contract or a group contract that is entered into, delivered, amended, or renewed after June 30, 2003.

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